

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of Washington by:

SDO - 10 - 02

CALLER I-C TECHNOLOGIES, INC.; MARK  
GOTTSCHALK; their agents and employees,

CONSENT ORDER AND ORDER VACATING  
SDO-33-01

Respondents.

Case No. 98-05-0150

**INTRODUCTION**

On April 25, 2001, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intention to Enter Order to Cease and Desist SDO-33-01 (“the Statement of Charges”) against Caller I-C Technologies, Inc. and its president Mark Gottschalk. Based in part on the Statement of Charges issued by the Securities Administrator, the Office of the Insurance Commissioner (“OIC”) issued an Order Revoking License to Mark Gottschalk on July 11, 2001. On December 7, 2001, Gottschalk entered into a Stipulation and Consent Order with OIC, whereby he agreed to pay a fine of \$1,000 and restitution to four of the seven investors referenced in the Statement of Charges. As to the remaining three investors, Gottschalk has fully repaid two of them and has entered into a mutually satisfactory agreement to repay the other.

Pursuant to the Securities Act of Washington, the Securities Division, Department of Financial Institutions, and Respondents Caller I-C Technologies, Inc. and Mark Gottschalk do hereby agree to this Consent Order in settlement of the above captioned matter. Respondents acknowledge the Securities Division’s jurisdiction over this matter and its authority to enter this order. Respondents neither admit nor deny the Tentative Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and repeated below.

CONSENT ORDER AND ORDER  
VACATING SDO-33-01

1

**DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**TENTATIVE FINDINGS OF FACT**

**I. Respondents**

1. **CALLER I-C TECHNOLOGIES** (“Caller I-C”) is a Washington corporation with a prior business location of 10900 NE 4th St., Suite 1225, Bellevue, Washington. Caller I-C was incorporated on October 16, 1995 for the purported purpose of selling video conferencing equipment.

2. **MARK GOTTSCHALK** (“Gottschalk”) was the President of Caller I-C at all times relevant to the matters set forth herein. Gottschalk is also a licensed insurance agent.

**II. Nature of the Offering**

3. Beginning in approximately September of 1995, Caller I-C and Gottschalk (collectively referred to as Respondents) induced at least seven Washington residents to invest in Caller I-C. At least four of these Washington residents were insurance clients of Gottschalk.

4. While soliciting the above Washington residents, Gottschalk made oral representations that he intended to use investor funds as venture capital for Caller I-C.

5. Several of these investors signed written agreements with Respondents. Mark Gottschalk, acting on behalf of Caller I-C, signed these agreements. In several of these agreements, Respondents promised to pay specific investment returns to persons.

6. Respondents obtained at least \$96,250 from Washington investors.

7. Respondents failed to provide investors with an offering circular or prospectus. Respondents failed to provide investors with material information regarding Caller I-C, including but limited to: (1) how investors’ funds were to be used; (2) the risks of the investment; (3) and financial statements of the company.

8. With respect to at least one Washington investor, Gottschalk used a portion of the investment funds he had obtained for his personal use.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**III. Registration Status**

9. Caller I-C Technologies, Inc. and Mark Gottschalk are not currently registered to offer or sell its securities in the state of Washington and have not previously been so registered.

10. Caller I-C Technologies, Inc. and Mark Gottschalk are not currently registered as securities salespersons or broker-dealers in the state of Washington and have not previously been so registered.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

**CONCLUSIONS OF LAW**

**I. Securities**

The offer and/or sale of the investment as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: a note; an evidence of indebtedness; an investment contract; or risk capital.

**II. Violation of RCW 21.20.010**

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as specifically set forth in paragraphs 7 and 8 of the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

**III. Violation of RCW 21.20.140**

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

**IV. Violation of RCW 21.20.040**

Respondents have violated RCW 21.20.040 by offering said securities while not being registered as broker-dealers or securities salespersons in the state of Washington.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**CONSENT ORDER**

Based on the foregoing,

IT IS AGREED AND ORDERED that Respondents and their agents and employees shall each cease and desist from offering and selling securities in any manner in violation of RCW 21.20.010, the anti-fraud provisions of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents and their agents and employees shall each cease and desist from offering and selling securities in any manner in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents and their agents and employees shall each cease and desist from acting as unregistered securities broker-dealers or salespersons in violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of the Securities Act of Washington.

IT IS FURTHER AGREED that Respondents shall reimburse the Securities Division Five Hundred Dollars (\$500) for its costs incurred in its investigation of this matter. Said payment is to be made to the Division prior to the entry of this Order.

In consideration of the foregoing, Respondents waive their right to a hearing in this matter, and the Securities Division hereby vacates the Statement of Charges and Notice of Intention to Enter Order to Cease and Desist SDO-33-01.

**WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

Signed by:

CALLER I-C TECHNOLOGIES, INC.

By \_\_\_\_\_  
Mark Gottschalk, President

CONSENT ORDER AND ORDER  
VACATING SDO-33-01

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

\_\_\_\_\_  
MARK GOTTSCHALK, individually

-----  
**THIS ORDER ENTERED THIS 26th DAY OF February, 2002 BY:**

*Deborah R Bortner*

\_\_\_\_\_  
DEBORAH R. BORTNER  
Securities Administrator

Approved by:

Presented by:

\_\_\_\_\_  
Michael E. Stevenson  
Chief of Enforcement

\_\_\_\_\_  
Chad Standifer  
Staff Attorney